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MEMORANDUM

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2011 APR -7 P 4: 21

TO:

Docket Control

EA for SMD

FROM:

Steven M. Olea

Director

Utilities Division

DATE:

April 7, 2011

RE:

IN THE MATTER OF THE APPLICATION OF TELLISS, LLC FOR

APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND

NECESSITY (DOCKET NO. T-04124A-09-0224)

Attached is the Staff Report on the above Application to cancel the Certificate of Convenience and Necessity ("CC&N") held by Tellis, LLC.

Staff recommends cancellation of the CC&N.

SMO: PJG:kdh

Originator: Pamela J. Genung

> Arizona Corporation Commission DOCKETED

> > APR - 7 2011

DOCKETED BY



SERVICE LIST FOR: TELLISS, LLC DOCKET NO. T-04124A-09-0224

Mr. Terry Ballantini Post Office Box 131 12668 E. 116th Street Fishers, Indiana 46038

STAFF REPORT UTILITIES DIVISION ARIZONA CORPRATION COMMISSION

TELLISS, LLC DOCKET NO. T-04124A-09-0224

IN THE MATTER OF THE APPLICATION OF TELLISS, LLC FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY

STAFF ACKNOWLEDGEMENT

The Staff Report for Telliss, LLC, Docket No.T-04124A-09-0224, was the responsibility of the Staff member listed below. Pamela Genung was responsible for the review and analysis of Telliss, LLC's Application to cancel its Certificate of Convenience and Necessity.

Pamela J. Genung

Public Utilities Analyst V

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INTRODUCTION

On May 8, 2009, Telliss, LLC ("Telliss" or "Applicant") filed an Application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide resold interexchange long distance telecommunications services within the State of Arizona.

BACKGROUND

On November 10, 2003, the Commission, in Decision No. 66520, granted Telliss a CC&N to provide resold interexchange telecommunications services, except local exchange services, within the state of Arizona.

STAFF'S ANALYSIS

In its Application, Telliss indicated that the company ceased operations on December 31, 2007. Staff issued its First Set of Data Requests to Telliss on May 22, 2009, via email. No responses were received. On February 4, 2011, Staff's attempt to reach the Applicant by telephone was unsuccessful. On February 4, 2011, Staff issued its Second Set of Data Requests to Telliss via certified mail. On February 28, 2011, Staff's Second Set of Data Requests was returned as undeliverable. Staff's attempt at a second email was undeliverable.

Staff has been unable to reach the Applicant. Based on Staff's evaluation of the Annual Report for year ending 2006, the Applicant is not serving customers in Arizona. More recent Annual Reports are not on file. Therefore Staff recommends that the notice requirement pursuant to Arizona Administrative Code ("A.A.C.") R14-2-1107 be waived.

According to the Compliance Section of the Utilities Division, Telliss does not have a bond on file with the Commission and is in compliance at this time. The Consumer Services Section reported that from January 1, 2008 to March 1, 2011, there have been no complaints, inquiries, or opinions filed against Telliss. The Corporations Division reported that Telliss is in Good Standing.

Since there are numerous other carriers offering competitive resold intrastate long distance telecommunications services within Arizona, Staff believes that cancellation of Telliss' CC&N is in the public interest.

RECOMMENDATIONS

Staff recommends the approval of Telliss' Application to cancel its CC&N to provide resold interexchange long distance telecommunications services in Arizona. In addition, Staff recommends that the notice requirement contained in A.A.C. R14-2-1107 be waived. Staff further recommends cancellation of Telliss' Arizona Tariff No. 1 that is on file with the Commission. Upon cancellation of its CC&N, Telliss will no longer be authorized to provide

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resold interexchange long distance telecommunications services in Arizona and therefore, will no longer be subject to the requirements of Decision No. 66520.